Chairman Michael K. Powell Federal Communications Commission 445 12th Street, SW Washington, D.C. 20554

### Dear Chairman Powell:

On Monday, October 4, 2004, the Federal Advisory Committee on Diversity in the Digital Age held its fourth meeting. It was a productive and successful meeting in which the Committee took the following steps designed to promote diversity in telecommunications and related industries. The Committee took the following actions:

- 1. Adopted a resolution that "strongly urges the Commission to maintain effective DE rules to increase opportunities for small and minority and women owned businesses." The resolution noted that "[a] current example where we believe maintaining DE rules could be effective would be found in the upcoming Auction 58 where application of current DE rules, including the C-Block eligibility rules established in 2000 could significantly enhance opportunity." [A copy of the resolution is attached.]
- 2. Commended "to the Commission, for the issuance of a notice or notices of proposed rulemaking, nine possible ways to foster ownership diversity in the commercial FM radio band." [A copy of the recommendation is attached.]

Thank you for your consideration of these recommendations. The Committee devoted a lot of time and effort to create these innovative yet practical solutions. If you have any questions, please contact myself, Linda Blair or Maureen C. McLaughlin for more information.

Sincerely,

Commissioner Kathleen Q. Abernathy Federal Communications Commission 445 12th Street, SW Washington, D.C. 20554

### Dear Commissioner Abernathy:

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Sincerely,

Commissioner Michael J. Copps Federal Communications Commission 445 12th Street, SW Washington, D.C. 20554

# Dear Commissioner Copps:

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Sincerely,

Commissioner Kevin J. Martin Federal Communications Commission 445 12th Street, SW Washington, D.C. 20554

Dear Commissioner Martin:

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Sincerely,

Commissioner Jonathan S. Adelstein Federal Communications Commission 445 12th Street, SW Washington, D.C. 20554

### Dear Commissioner Adelstein:

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## **Resolution Supporting Retention of Designated Entity Rules**

### Whereas:

The Commission's Designated Entity ("DE") rules, including the broadband PCS C-Block spectrum set-aside, 47 C.F.R. § 24.709, were developed to satisfy the Commission's obligations under Section 309(j) of the Communications Act to provide small and minority and women-owned businesses ("Entrepreneurial Companies") with meaningful access to the spectrum needed to provide wireless services;

The often times capital-intensive nature of communications businesses and the difficulties experienced by Entrepreneurial Companies in accessing capital make it virtually impossible for Entrepreneurial Companies to secure valuable spectrum licenses when bidding against well-capitalized incumbents;

Entrepreneurial Companies will be successful in raising the capital needed to acquire and build out valuable spectrum licenses only if the capital markets perceive that the FCC's Designated Entity eligibility rules will remain stable and certain;

### Therefore, be it

RESOLVED that the Advisory Committee on Diversity for Communications in the Digital Age strongly urges the Commission to maintain effective DE rules to increase opportunities for small and minority and women owned businesses. A current example where we believe maintaining DE rules could be effective would be found in the upcoming Auction 58 where application of current DE rules, including the C-Block eligibility rules established in 2000 could significantly enhance opportunity.

## Recommendation on Diversifying Ownership in the Commercial FM Radio Band

The Subcommittee on Emerging Technologies proposes that the full Advisory Committee commend to the Commission, for the issuance of a notice or notices of proposed rulemaking, nine possible ways to foster ownership diversity in the commercial FM radio band (92.1 – 107.9 mHz), as outlined in the Subcommittee's June 11, 2004 Recommendation:

- 1. Create Medium Power FM Stations.
- 2. Replace the FM Table with Interference-Based Allotment Criteria
- 3. Allow Class A Stations to Use Low Towers and Higher-Than-Standard Power while Retaining Appropriate ERP Levels
- 4. Conduct a Comprehensive Channel Search for New FM Allotments
- 5. Harmonize Regional Interference Protection Standards
- 6. Repeal the Third-Adjacent FM Contour Rules
- 7. Relax the Community of License and Transmitter Site Rules
- 8. Authorize Interference Agreements
- 9. Require Same-Day Updates of Entitlements to Bidding Credits